

106TH CONGRESS
1ST SESSION

H. R. 2860

To authorize the Secretary of Housing and Urban Development to carry out a pilot program to provide homeownership assistance to disabled families.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 14, 1999

Mr. GREEN of Wisconsin introduced the following bill; which was referred to the Committee on Banking and Financial Services

A BILL

To authorize the Secretary of Housing and Urban Development to carry out a pilot program to provide homeownership assistance to disabled families.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. PILOT PROGRAM.**

4 (a) IN GENERAL.—A public housing agency providing
5 tenant-based assistance on behalf of an eligible family
6 under section 8 of the United States Housing Act of 1937
7 may provide assistance for a disabled family that pur-
8 chases a dwelling unit (including a dwelling unit under
9 a lease-purchase agreement) that will be owned by 1 or

1 more members of the disabled family and will be occupied
2 by the disabled family, if the disabled family—

3 (1) purchases the dwelling unit before the expi-
4 ration of the 3-year period beginning on the date of
5 the enactment of this Act;

6 (2) demonstrates that the disabled family has
7 income from employment or other sources (including
8 public assistance), as determined in accordance with
9 requirements of the Secretary, that is not less than
10 twice the payment standard established by the public
11 housing agency (or such other amount as may be es-
12 tablished by the Secretary);

13 (3) except as provided by the Secretary, dem-
14 onstrates at the time the disabled family initially re-
15 ceives tenant-based assistance under this Act that
16 one or more adult members of the disabled family
17 have achieved employment for the period as the Sec-
18 retary shall require;

19 (4) participates in a homeownership and hous-
20 ing counseling program provided by the agency; and

21 (5) meets any other initial or continuing re-
22 quirements established by the public housing agency
23 in accordance with requirements established by the
24 Secretary.

25 (b) DETERMINATION OF AMOUNT OF ASSISTANCE.—

1 (1) IN GENERAL.—

2 (A) MONTHLY EXPENSES NOT EXCEEDING
3 PAYMENT STANDARD.—If the monthly home-
4 ownership expenses, as determined in accord-
5 ance with requirements established by the Sec-
6 retary, do not exceed the payment standard, the
7 monthly assistance payment shall be the
8 amount by which the homeownership expenses
9 exceed the highest of the following amounts,
10 rounded to the nearest dollar:

11 (i) 30 percent of the monthly adjusted
12 income of the disabled family.

13 (ii) 10 percent of the monthly income
14 of the disabled family.

15 (iii) If the disabled family is receiving
16 payments for welfare assistance from a
17 public agency, and a portion of those pay-
18 ments, adjusted in accordance with the ac-
19 tual housing costs of the disabled family, is
20 specifically designated by that agency to
21 meet the housing costs of the disabled fam-
22 ily, the portion of those payments that is
23 so designated.

24 (B) MONTHLY EXPENSES EXCEED PAY-
25 MENT STANDARD.—If the monthly homeowner-

1 ship expenses, as determined in accordance with
2 requirements established by the Secretary, ex-
3 ceed the payment standard, the monthly assist-
4 ance payment shall be the amount by which the
5 applicable payment standard exceeds the high-
6 est of the amounts under clauses (i), (ii), and
7 (iii) of subparagraph (A).

8 (2) CALCULATION OF AMOUNT.—

9 (A) LOW-INCOME FAMILIES.—A disabled
10 family that is a low-income family shall be eligi-
11 ble to receive 100 percent of the amount cal-
12 culated under paragraph (1).

13 (B) INCOME BETWEEN 81 AND 89 PERCENT
14 OF MEDIAN.—A disabled family whose income
15 is between 81 and 89 percent of the median for
16 the area shall be eligible to receive 66 percent
17 of the amount calculated under paragraph (1).

18 (C) INCOME BETWEEN 90 AND 99 PERCENT
19 OF MEDIAN.—A disabled family whose income
20 is between 90 and 99 percent of the median for
21 the area shall be eligible to receive 33 percent
22 of the amount calculated under paragraph (1).

23 (D) INCOME MORE THAN 99 PERCENT OF
24 MEDIAN.—A disabled family whose income is
25 more than 99 percent of the median for the

1 area shall not be eligible to receive assistance
2 under this Act.

3 (c) INSPECTIONS AND CONTRACT CONDITIONS.—

4 (1) IN GENERAL.—Each contract for the pur-
5 chase of a dwelling unit to be assisted under this Act
6 shall—

7 (A) provide for pre-purchase inspection of
8 the dwelling unit by an independent profes-
9 sional; and

10 (B) require that any cost of necessary re-
11 pairs be paid by the seller.

12 (2) ANNUAL INSPECTIONS NOT REQUIRED.—

13 The requirement under subsection (o)(8)(A)(ii) of
14 the United States Housing Act of 1937 for annual
15 inspections shall not apply to dwelling units assisted
16 under this Act.

17 (d) OTHER AUTHORITY OF THE SECRETARY.—The
18 Secretary may—

19 (1) limit the term of assistance for a disabled
20 family assisted under this Act;

21 (2) provide assistance for a disabled family for
22 the entire term of a mortgage for a dwelling unit if
23 the disabled family remains eligible for such assist-
24 ance for such term; and

1 (3) modify the requirements of this Act as the
2 Secretary determines to be necessary to make appro-
3 priate adaptations for lease-purchase agreements.

4 (e) ASSISTANCE PAYMENTS SENT TO LENDER.—The
5 Secretary shall remit assistance payments under this Act
6 directly to the mortgagee of the dwelling unit purchased
7 by the disabled family receiving such assistance payments.
8 (f) INAPPLICABILITY OF CERTAIN PROVISIONS.—As-
9 sistance under this Act shall not be subject to the require-
10 ments of the following provisions:

11 (1) Subsection (c)(3)(B) of section 8 of the
12 United States Housing Act of 1937.

13 (2) Subsection (d)(1)(B)(i) of section 8 of the
14 United States Housing Act of 1937.

15 (3) Any other provisions of section 8 of the
16 United States Housing Act of 1937 governing max-
17 imum amounts payable to owners and amounts pay-
18 able by assisted families.

19 (4) Any other provisions of section 8 of the
20 United States Housing Act of 1937 concerning con-
21 tracts between public housing agencies and owners.

22 (5) Any other provisions of the United States
23 Housing Act of 1937 that are inconsistent with the
24 provisions of this Act.

25 (g) REVERSION TO RENTAL STATUS.—

1 (1) FHA-INSURED MORTGAGES.—If a disabled
2 family receiving assistance under this Act for pur-
3 chase of a dwelling unit defaults under a mortgage
4 for the dwelling unit insured by the Secretary under
5 the National Housing Act, the disabled family may
6 not continue to receive rental assistance under sec-
7 tion 8 of the United States Housing Act of 1937 un-
8 less the disabled family—

9 (A) transfers to the Secretary marketable
10 title to the dwelling unit;

11 (B) moves from the dwelling unit within
12 the period established or approved by the Sec-
13 retary; and

14 (C) agrees that any amounts the disabled
15 family is required to pay to reimburse the es-
16 crow account under section 23(d)(3) of the
17 United States Housing Act of 1937 may be de-
18 ducted by the public housing agency from the
19 assistance payment otherwise payable on behalf
20 of the disabled family.

21 (2) OTHER MORTGAGES.—If a disabled family
22 receiving assistance under this Act defaults under a
23 mortgage not insured under the National Housing
24 Act, the disabled family may not continue to receive
25 rental assistance under section 8 of the United

1 States Housing Act of 1937 unless it complies with
2 requirements established by the Secretary.

3 (3) ALL MORTGAGES.—A disabled family receiv-
4 ing assistance under this Act that defaults under a
5 mortgage may not receive assistance under this Act
6 for occupancy of another dwelling unit owned by 1
7 or more members of the disabled family.

8 (4) EXCEPTION.—This subsection shall not
9 apply if the Secretary determines that the disabled
10 family receiving assistance under this Act defaulted
11 under a mortgage due to catastrophic medical rea-
12 sons.

13 (h) REGULATIONS.—As soon as practicable after the
14 date of the enactment of this Act, the Secretary shall issue
15 regulations to implement this Act. Such regulations may
16 not prohibit any public housing agency providing tenant-
17 based assistance on behalf of an eligible family under sec-
18 tion 8 of the United States Housing Act of 1937 from
19 participating in the pilot program under this Act.

20 (i) DEFINITION OF DISABLED FAMILY.—For the
21 purposes of this Act, the term “disabled family” has the
22 meaning given the term “person with disabilities” in sec-
23 tion 811(k)(2) of the Cranston-Gonzalez National Afford-
24 able Housing Act (42 U.S.C. 8013(k)(2)).

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